

As I write to you today, Frederick County has a balanced budget with no property tax or fire tax increases. We have kept our word of living within our means. What did we have to do to pull this off? First, no pay raises, for the third consecutive year, for County employees; for the first time ever we worked in a cooperative manner to get a one-time rebate from our elected Board of Education of 3.2 million dollars, which equals half of the county's deficit. We also had to fully fund our OPEB (Other Post Employment Benefits) and make up the short fall from the previous year. OPEB represents health care expenses for all of our retirees. The Board had to make up and replace the shift of 4.2 plus million dollars of costs from our general fund to the fire tax districts that created revenue short falls in both the Urban and Suburban fire tax districts. We had to increase fuel accounts to prepare for rising gas and diesel fuel prices.

So, what did we cut? We reduced, by 7% (175 positions), the County government workforce. Some positions were down-graded; positions that were vacant from retirements or for other reasons were eliminated; more than 100 folks were laid off. Contributions to Grant-in-Aid and Non-County agencies were reduced. Frederick County's contribution to Head Start was eliminated. The program will continue, but Frederick County will not be the one running it. We were the only county in the state running a Head Start program and we could no longer afford to do so.

Does this mean that the financial health of Frederick County is now balanced? The answer is "No." We have balanced the budget for Fiscal Year 2012, but we still have a structural deficit which means we are spending more than we are taking in (revenues vs expenditures). We did reduce the structural deficit considerably through our actions, but we have more to do. Also there is a possibility that the state could shift additional costs to Frederick County, such as teacher pension costs. We are prepared to deal with that issue if it happens.

We have been straight with our employees about the potential of furloughs, pay reductions and additional lay offs if more costs are shifted from the state. Our goal as a Board of County Commissioners is to straighten up our financial health as a county and put us in a position of strength so when the economy picks up we can pass along the rewards to you, the taxpayer, in terms of property tax cuts and the reduction of burdensome fees.

We have been accused of not having compassion. Well, I am the first to tell you, we do have compassion – compassion for the taxpayers. Thank you for all you do to make Frederick County the best county in Maryland. You can call me at anytime on my personal cell phone, (301) 748-3218, or e-mail me at BYoung@FrederickCountyMD.gov.